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September 28, 2017

Box 484
Kaslo, British Columbia
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Attention: Mr. Andy Shadrack

Dear Mr. Shadrack:

Re: FortisBC Inc. (FBC)
Project No. 3698875

Application for Reconsideration and Variance of Order G-199-16 FBC Net Metering Program Tariff Update Decision (the Application)

Response to Mr. Andy Shadrack (Shadrack) Information Request (IR) No. 1

On March 17, 2017, FBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-127-17 setting out the Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to Shadrack IR No. 1.

If further information is required, please contact Corey Sinclair, Manager, Regulatory Services at 250-469-8038.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachments

cc (email only): Commission Secretary
Registered Parties



FortisBC Inc. (FBC or the Company) Application for Reconsideration and Variance of Order G-199-16 FBC Net Metering Program Tariff Update Decision (the Application)	Submission Date: September 28, 2017
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1 **NEG Pricing:**

2 1. On the question of BC Hydro RS 3808 (PPA Tranche 1) being the guiding value for
3 purchase of any Net Excess Generation (NEG) electricity from Net Metering (NM)
4 customer-generators (CG), please provide the costs (\$ per kWh) for FBC to deliver PPA
5 Tranche 1 purchased energy, including:

6 i. from point of purchase to point of sale to a customer (\$ per kWh), and
7

8 **Response:**

9 In calculating the cost of service for customers, including the cost to acquire power and deliver it
10 to customers, FBC uses the established methodology of pooling such costs on an average
11 basis to develop a single postage-stamp rate for each class that applies regardless of customer
12 location. It is not possible to determine the cost of delivering a specific set of electrons to a
13 specific location.

14 Further, the cost of delivering power from a generation source to a customer is not relevant to
15 the price to be paid for annual net excess generation (NEG). The average cost of delivering
16 electricity from generation sources to customers is embedded in the rates charged to customers
17 and a significant portion of that cost will be incurred by FBC regardless of how much electricity a
18 customer is using.

19 The relevant comparator for the value of annual NEG is the price paid for alternate generation
20 sources, which is the BC Hydro RS 3808 rate.

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25 ii. what are the line loss costs for this energy delivery (\$ per kWh)?
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27 **Response:**

28 As stated on page 54 of FBC's 2016 Long Term Electric Resource Plan (LTERP), losses are
29 assumed to be 8 percent of gross load. The "cost" of line losses can therefore be estimated by
30 multiplying the commodity cost of PPA energy by 8 percent, or approximately \$0.004 per kWh,
31 or \$4 per MWh.

32 FBC has not conducted the detailed studies that would be needed to determine the exact line
33 loss costs associated with PPA deliveries.

34



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1 2. At B-25, Panel IR#1.1.3, FortisBC Inc. (FBC) 2016 Long Term Electric Resource Plan
2 (LTERP) and Long Term Demand Side Management Plan (LT DSM Plan) ~ Project
3 No.3698896

4 ([http://www.bcuc.com/Documents/Proceedings/2017/DOC_49867_B-25-](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49867_B-25-FBC_Panel_IR1_Response.pdf)
5 [FBC_Panel_IR1_Response.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49867_B-25-FBC_Panel_IR1_Response.pdf)), the Company states:

6 *"FBC has not conducted the technical analysis to determine the impact on system losses*
7 *of the CSPP. However, it is likely that transmission losses, which are estimated in the*
8 *response to ICG IR 2.1.2 to be between 1-3 percent of gross system load, will be*
9 *avoided due to the proximity of the CSPP generation to customer loads."*

10 Please provide a per kWh dollar (\$) value for the avoided transmission line loss for Net
11 Metered (NM) electricity, similar to the value the Company is claiming for CSPP
12 produced electricity.

13
14 **Response:**

15 As noted in the referenced IR response, the Company did not ascribe any monetary value to the
16 losses avoided to the CSPP and stated the impact on system losses had not been determined.
17 The same holds true for energy delivered by net metering (NM) customers, and the same
18 conclusion related to the 1-3 percent of gross system losses could also be applied.

19 The value for the "avoided" line losses can therefore be estimated by multiplying the commodity
20 cost of PPA energy by 1 to 3 percent, or approximately \$0.0005 to \$.0015 per kWh, or \$0.5 to
21 \$1.5 per MWh.

22



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1 3. At B-10, Shadrack IR#1.20.A, FortisBC Inc. Net Metering Program Tariff Update
2 Application ~ Project No.3698875

3 ([http://www.bcuc.com/Documents/Proceedings/2016/DOC_46692_B-10_FBC-Shadrack-](http://www.bcuc.com/Documents/Proceedings/2016/DOC_46692_B-10_FBC-Shadrack-IR-No1-Response.pdf)
4 [IR-No1-Response.pdf](http://www.bcuc.com/Documents/Proceedings/2016/DOC_46692_B-10_FBC-Shadrack-IR-No1-Response.pdf)) FBC states that the cost of electricity, "inclusive of all charges",
5 "...[f]or the residential class, this value is \$184,326,000/1,367,000,000 kWh = 13.48
6 cents/kWh."

7 At B-18, Shadrack IR#2.24.i, FortisBC Inc. 2016 Long Term Electric Resource Plan
8 (LTERP) and Long Term Demand Side Management Plan (LT DSM Plan) ~ Project
9 No.3698896 ([http://www.bcuc.com/Documents/Proceedings/2017/DOC_49315_B-](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49315_B-18_FBC_Shadrack-IR2-Response.pdf)
10 [18_FBC_Shadrack-IR2-Response.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49315_B-18_FBC_Shadrack-IR2-Response.pdf)), FBC states that "[T]he average rate at which
11 [NM] accounts were credited for energy delivered to the FBC system during the
12 year...2016 is...", I believe, 12.4 cents per kWh.

13 i. These figures indicate that the cost of NM electricity to FBC is less than revenue
14 which the Company derives from RS 1 residential customers. If FBC is asserting
15 that NM suppliers are imposing excessive costs on the Company and other
16 customers, using the table provided at B-18, Shadrack IR#2.24.iii, FortisBC Inc.
17 2016 Long Term Electric Resource Plan (LTERP) and Long Term Demand Side
18 Management Plan (LT DSM Plan) ~ Project No.3698896 as a guide, please
19 provide a breakdown of the applicable revenues and costs to support this
20 assertion.

21
22 **Response:**

23 With regard to the topic of NEG pricing, which this series of questions purports to address, the
24 average revenue per kWh of 13.48 cents for the residential class is not relevant to NEG pricing,
25 nor is this value directly comparable to the annual average per kWh credit provided to NM
26 customers for NEG that flows into the FBC grid during a billing period.

27 The 13.48 cents per kWh figure represents the entire residential revenue requirement, inclusive
28 of all costs of providing service to customers (not just the energy), spread over the expected
29 load of the class. The 12.4 cents per kWh figure represents the value placed only on the energy
30 effectively purchased by the Company from those few NM customers that had NEG in 2016.

31 When attempting to arrive at a reasonable proxy for the value of energy to be purchased by
32 FBC in the form of NEG, the primary consideration should be the price of other readily available
33 and comparable energy that the Company can acquire. While the Company can often acquire
34 power below the BC Hydro 3808 rate, the 3808 rate is a publicly available value that is updated
35 periodically and is therefore reasonable to use.

36 FBC noted in its response to CEC IR 1.8.7 in the FBC NM Update Application process that a
37 transition from a retail compensation rate for NEG to one based on the BC Hydro 3808 rate



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1 would not have a significant impact at this time. FBC does not therefore assert that NM
 2 suppliers are imposing excessive costs on the Company and other customers, although
 3 processing of monthly bills for NM customers has proven more administratively burdensome
 4 than initially anticipated when the program was launched in 2009. The Company maintains that
 5 in determining a consistent, principled basis from which to set an appropriate rate to
 6 compensate customers for unscheduled deliveries to the FBC system, the avoided-cost of
 7 power makes the most sense. Given that \$124 per MWh is over double the current PPA cost of
 8 energy of about \$48 per MWh, FBC maintains the difference of \$76 per MWh is excessive. In
 9 table format using \$ per MWh:

	Current PPA Energy Only Rate	NEG (2016 Average)
Cost to FBC to Obtain Energy	\$48 per MWh	\$124 per MWh
Residential Revenue to FBC from sale of power purchased	\$135 per MWh	\$135 per MWh

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- ii. Please create a table that shows the average cost of BC Hydro RS 3808 (PPA Tranche 1) and NM electricity in 2016, and then, as applicable, add in the fixed and variable costs associated for each source of power to point of sale to a residential customer.

Response:

19 FBC understands that the information requested is intended to compare the costs of acquisition
 20 and delivery for energy from different resources. However, the information has no practical
 21 application or meaning within the cost environment of the utility. As stated, the average at
 22 which NM customer accounts were credited for energy delivered to the FBC system during 2016
 23 has been calculated at 12.4 cents per kWh. This value represents an energy-only price. The
 24 energy-only rate associated with the Tranche 1 energy of 3808 is the single published rate of
 25 4.8636 cents/kWh, including the deferral account rate rider. If both of these resources were to
 26 be included in the Company's power purchase portfolio they would be pooled and the delivery
 27 costs applied on an average basis across the Company's load. Given this reality, while the
 28 average price at which NM customers are compensated for NEG is based on retail rates under
 29 the current program , its value is best represented by the price of the energy that FBC did not
 30 acquire as a result.

31

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1 4. Under definitions in the *Utilities Commission Act* (UCA), a rate and service are described
2 as follows:

3 *"rate" includes*

4 (a) a general, individual or joint rate, fare, toll, charge, rental or other
5 compensation of a public utility,

6 (b) a rule, practice, measurement, classification or contract of a public utility or
7 corporation relating to a rate, and

8 (c) a schedule or tariff respecting a rate;

9 *"service" includes*

10 (a) the use and accommodation provided by a public utility,

11 (b) a product or commodity provided by a public utility, and

12 (c) the plant, equipment, apparatus, appliances, property and facilities employed
13 by or in connection with a public utility in providing service or a product or
14 commodity for the purposes in which the public utility is engaged and for the use
15 and accommodation of the public;

16 Can a residential customer, enrolled under the RS 1 or 2 tariff, purchase electricity
17 separately without simultaneously paying a monthly or bi-monthly basic service charge
18 or the GST?

19
20 **Response:**

21 Residential electric utility service in British Columbia is offered only on a fully bundled basis,
22 which includes all charges associated with the generation, transmission, distribution and
23 customer service functions and costs and applicable taxes. Commodity-only service is not
24 available.

25



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1 5. In RS 95 at section 3 FBC specifically states that:

2 *"If in any billing period, the eligible Customer-Generator is a net generator of energy, the*
3 *Net Excess Generation shall be valued at the rates specified in the applicable Rate*
4 *Schedule and credited to the Customers account".*

5 i. Has FBC been following this practice with all NM enrolled NEG customer-
6 generators (CG) since the inception of the program in 2009?

7
8 **Response:**

9 Yes.

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11

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13 ii. Can FBC please explain how it would react and what it would do if, after making
14 a pre-approved investment in production facilities at an agreed upon rate
15 schedule, the Commission then ordered the Company to lower the pre-approved
16 price of the electricity it sold from those new facilities, before it had recouped its
17 investment costs.

18
19 **Response:**

20 FBC does not consider the hypothetical situation set out in this IR to be analogous to the
21 circumstances of NM customers or otherwise relevant to the Reconsideration Application.

22
23

24
25 iii. Please explain the process by which FBC purchases electricity from all other
26 non-owned sources, including but not limited to explaining whether or not the
27 Company discusses price with the seller, sits down and negotiates a price, signs
28 a written agreement, or whether the Company simply offers a purchase price and
29 tells the seller to take it or leave it.

30
31 **Response:**

32 Please refer to FBC's 2016 LTERP, beginning on page 74, for a description of the Company's
33 existing supply-side resources. Once it has been determined that a resource appropriately
34 meets the needs of the Company and its customers, the process to arrive at a price for these
35 resources is as follows:



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- 1 1. Purchases from the Brilliant and Brilliant Expansion plants – negotiated price with written
2 agreement approved by the Commission;
- 3 2. Waneta Expansion Capacity Purchase Agreement – negotiated price with written
4 agreement approved by the Commission;
- 5 3. BC Hydro Power Purchase Agreement – negotiated price with written agreement
6 approved by the Commission;
- 7 4. Market purchases – agreed upon price that reflects the current market price;
- 8 5. Independent Power Producers (IPPs) – This is a mixed category and, as a result, the
9 process to arrive at a purchase price varies widely. For example, FBC pays the normal
10 tariff rate for power to Pend Oreille County PUD No. 1 where it imports power from the
11 United States to meet load on the Canadian side of the border where no connection to
12 the rest of FBC’s system exists. For the other IPPs, payment will not exceed the BC
13 Hydro PPA rate and may be less. While these are mostly written agreements, the level
14 of negotiation involved around price is fairly limited;
- 15 6. NM customers – as determined under RS 95 in FBC’s Electric Tariff.

16

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1 6. In B-1, FortisBC Inc. Application for Reconsideration and Variance of Order G-199-16
2 FBC Net Metering Program Tariff Update Decision, at paragraphs 82 to 83, on pages 28
3 and 29, FBC makes the following allegations:

4 *"82. To illustrate the materiality of the issue, FBC has reviewed the billing data for*
5 *the eight residential customers in the NM program who are most likely to have*
6 *annual NEG in 2016 to assess the extent to which they were compensated for*
7 *NEG at a Tier 2 rate in billing periods over the last 12 months where*
8 *consumption did not exceed the Tier 1 threshold. One of the eight customers did*
9 *not generate or consume electricity above the Tier 1 threshold in any of the six*
10 *billing periods reviewed.*

11 *For the other seven customers that did consume and/or generate above 1,600*
12 *kWh in a billing period in 2016, this review demonstrated that:*

13 *(a) five of the seven customers were compensated for NEG at Tier 2 rates in at*
14 *least one billing period in which consumption was only valued at Tier 1;*

15 *(b) two of the customers were compensated for NEG at Tier 2 rates without*
16 *consuming electricity above the Tier 1 threshold in all six billing periods;and*

17 *(c) in over one third of the bills for these customers, NEG was compensated at*
18 *Tier 2 rates without any consumption above the Tier 1 threshold, with in one*
19 *case, the amount of generation compensated at Tier 2 exceeding 100,000 kWh*
20 *with no corresponding Tier 2 consumption at all.*

21 *83. FBC can provide the 2016 generation and consumption data for the eight*
22 *customers reviewed as new evidence if a second phase process for this*
23 *Reconsideration Application is ordered"*

24 ([http://www.bcuc.com/Documents/Proceedings/2017/DOC_49017_B-1_FBC_Net-](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49017_B-1_FBC_Net-Metering-G-199-16-Reconsideration-App.pdf)
25 [Metering-G-199-16-Reconsideration-App.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49017_B-1_FBC_Net-Metering-G-199-16-Reconsideration-App.pdf)).

26 Using data provided in C10-8, FortisBC Inc. 2016 Long Term Electric Resource Plan
27 (LTERP) and Long Term Demand Side Management Plan (LT DSM Plan) ~ Project
28 No.3698896, 2016 NM#1 FortisBC Electrical Charges and Net Metering Transfer Values
29 ([http://www.bcuc.com/Documents/Proceedings/2017/DOC_49581_C10-8_Shadrack-](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49581_C10-8_Shadrack-Evidence-IR1-Response.pdf)
30 [Evidence-IR1-Response.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49581_C10-8_Shadrack-Evidence-IR1-Response.pdf)), I provide empirical evidence that shows that NM#1
31 produced and transferred Tier II kWh in two of six billing periods in 2016, without
32 purchasing any Tier II electricity, and would have likely done so in a third one if FBC had
33 not estimated the number of kWh consumed, produced and transferred in that billing
34 period. The six redacted bills for NM#1 can be found at C10-8-1

35 ([http://www.bcuc.com/Documents/Proceedings/2017/DOC_49656_C10-8-](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49656_C10-8-1_Shadrack_IR1-Responses.pdf)
36 [1_Shadrack_IR1-Responses.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49656_C10-8-1_Shadrack_IR1-Responses.pdf)).



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1 i. Of the five CGs described in (a) above what number actually had an annual Tier
2 II consumption level below their Tier II production and transfer level?

3
4 **Response:**

5 Four of the five referenced customers had annual Tier 2 Net Generation that exceeded Tier 2
6 Net Consumption.

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8

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10 ii. Noting that NM#1, while producing 1.273 MWh of NEG at retail rates in 2016 still
11 did not offset the cost of service from FBC, in that this household still paid the
12 Company \$148.23 throughout 2016, please state the actual number of CGs
13 described by FBC in a, b and c above, for which the Company actually wrote a
14 cheque for NEG in accordance with section 5 of RS 95.

15
16 **Response:**

17 In response to BCUC IR 1.2.1 in the NM Tariff Update Application process, the Company
18 provided the following table that addressed payouts to NM customers (described as “NEG Sold
19 to FBC” in the table).

Year	Total NM Customers	Total Installed Capacity (kW)		NEG Sold to FBC (\$)
		Incremental	Cumulative	
2010	4	34	34	0
2011	12	98.5	132.5	0
2012	16	43	175.5	0
2013	20	16	191.5	4,345
2014	43	99	290.5	8,830
2015	83	227	517.5	16,926
2016 (Apr)	86	17	534.5	34,402

20
21 In addition to the payments noted for 2016 (up to April), an additional payment of \$810 was
22 made during the balance of the year. The 2016 payouts were to two Residential customers (now
23 totaling \$18,802) and one Commercial customer (\$16,410). These customers would have
24 represented 3/86 or 3.5 percent of NM customers at the time. For the first half of 2017, FBC
25 has made two payments totaling \$18,375 including over \$18,000 to a single individual.

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1 iii. What percentage of NM CGs would this have represented at the time of writing
2 those cheques?

3
4 **Response:**

5 Please refer to the response to Shadrack IR 1.6(ii).

6
7

8
9 iv. What percentage of the entire dollar (\$) value of electricity transferred from NM
10 CGs would the amount FBC paid out in cheques have represented in 2016?

11
12 **Response:**

13 FBC responds to this question with reference to the annual information provided in Part 2 of the
14 FBC Evidence filed as Exhibit B-4 in this reconsideration process, which covers the period from
15 April 1, 2015 to March 31, 2016.

16 During the period cover by Exhibit B-4, the inferred value of all NEG that occurred over the
17 course of the year, calculated by multiplying the kWhs of NEG by either the Tier 1 or Tier 2 rate
18 as appropriate, is approximately \$24 thousand. This calculation assumes that, "...*electricity*
19 *transferred from NM CGs*" refers not only to cases where a customer has annual NEG, but also
20 to NEG that may occur during a single billing period and for which the Company would have
21 credited the account at retail rates under the current billing methodology.

22 During this same period, the Company issued cheques for NEG of approximately \$18.5
23 thousand representing approximately 76 percent of the total.

24
25

26
27 v. Is the percentage of NM CGs for which FBC is writing cheques annually,
28 increasing or decreasing as compared to the inception of the program, 2014,
29 2015, 2016 and 2017?

30
31 **Response:**

32 FBC has not compiled the data required to perform the requested analysis for each year, and
33 the resources required would be considerable. However, a detailed analysis is not required.

34 The Company only has a small number of NM customers that produce annual unused NEG that
35 would be eligible to receive monetary payouts. FBC does not expect this number to increase



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1 except where a NM customer's electricity consumption is less than forecast or their generation
2 is greater than forecast (or both).

3 Given this fact, and the fact that participation in the NM Program is increasing, the percentage
4 of NM customers for which FBC is writing cheques annually as a percentage of total NM
5 customers will likely decrease over time.

6
7

8

9 vi. Is the value of NEG paid out in cheques annually, increasing or decreasing as a
10 percentage of the total value transferred by CGs since inception of the program,
11 2014, 2015, 2016 and 2017?
12

13 **Response:**

14 Given that participation in the NM Program is increasing and the number of NM customers that
15 will have annual NEG is expected to remain small, FBC expects that the percentage of NEG
16 credits represented by monetary payouts will decrease with time. However, there will likely be
17 an increase in instances of billing period NEG (which is compensated with monetary credits on
18 a monthly basis under the current billing method) as more customers join the NM Program.

19
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22 vii. If the purpose of the FBC NM program is to offset all or part of a CG's
23 consumption, why is it a problem for the Company to credit a customer with Tier
24 II production in some billing periods where only Tier I consumption takes place,
25 and then bill them for Tier II consumption in other months when only Tier I
26 production and transfer takes place? Is that not what an offset program is
27 supposed to be all about?
28

29 **Response:**

30 The issue with the mismatch in the rates applied to generation and consumption is fully
31 explained in Section VI.C-D of FBC's Reconsideration Application, Exhibit B-1.

32 The NM Program is intended to allow customers to offset all or part of their personal
33 consumption, on a kWh basis, through the installation of a NM system. Offset, in this context,
34 does not imply anything about the rates that are applied.



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viii. Why could the RS 95 tariff not be tweaked so that once a CG has fully offset their Tier II consumption levels, any further purchase of NM CG production is undertaken by FBC at the Tier I retail rate?

8 **Response:**

9 This proposal, as FBC understands it, would value certain billing period NEG at Residential Tier
10 1 rates.

11 The following example shows a one-month billing period (with a Tier 2 threshold of 800 kWh) in
12 which the customer has the following net consumption and net generation profile:

kWh Delivered to Customer	1,000
kWh Received from Customer	2,500
Net Consumption	- 1,500
Tier 1 kWh	- 800
Tier 2 kWh	- 700

13

14 Under this scenario and the current billing practice, the customer would receive a credit based
15 on 800 kWh at the Tier 1 rate and 700 kWh at the Tier 2 rate.

16 Notionally, the customer would have 200 kWh of Tier 2 consumption based only on the Net
17 Delivered register (1,000 kWh – 800 kWh threshold).

18 Were the Tier 2 kWh credit capped at the notional Tier 2 consumption as posited by the
19 question, the billing would then be based on:

kWh Delivered to Customer	1,000
kWh Received from Customer	2,500
Net Consumption	- 1,500
Tier 1 kWh	- 1,300
Tier 2 kWh	- 200

20

21 It would be possible for FBC to bill in this manner; however, doing so would disadvantage
22 customers when compared to the kWh Bank proposed by the Company because the excess



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- 1 kWh generated could not be carried forward to offset Tier 2 consumption in a future billing
- 2 period.
- 3 If Residential Tier 1 rates were used to value annual NEG, this would also overvalue any annual
- 4 NEG produced.
- 5



1 **kWh Bank**

2 7. Using data provided in C-10-8, FortisBC Inc. 2016 Long Term Electric Resource Plan
 3 (LTERP) and Long Term Demand Side Management Plan (LT DSM Plan) ~ Project
 4 No.3698896, 2016 NM#1 FortisBC Electrical Charges and Net Metering Transfer
 5 Values, please explain how a kWh bank would have worked for this customer in 2016
 6 ([http://www.bcuc.com/Documents/Proceedings/2017/DOC_49581_C10-8_Shadrack-](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49581_C10-8_Shadrack-Evidence-IR1-Response.pdf)
 7 [Evidence-IR1-Response.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49581_C10-8_Shadrack-Evidence-IR1-Response.pdf)).

8 i. How would the Tier 1 and Tier II NEG kWh be banked between February 17th to
 9 December 19th, 2016?
 10

11 **Response:**

12 Under the Company's kWh Bank proposal there is no distinction drawn between Tier 1 and Tier
 13 2 kWh. Calculation of the kWh Bank for the bills in question, as provided in the reference
 14 above, is shown below. For the analysis, FBC has assumed that the opening balance in the
 15 kWh Bank for the first bill is zero and that no payout is made during the third billing period.

Bill Reference	Dec 16/15 - Feb 15/16	Feb 15/16 - Apr 19/16	Apr 19/16 - Jun 16/16	Jun 16/16 - Aug 16/16	Aug 16/16 - Oct 17/16	Oct 17/16 - Dec 19/16
Net Delivered	3,135	1,915	609	406	800	2,741
Net Received	310	1,972	2,627	2,613	1,600	920
Net Consumption	2,825	-57	-2,018	-2,207	-800	1,821
kWh Bank						
Opening Balance	0	0	57	2,075	4,102	4,902
Addition / Withdrawal	0	57	2,018	2,027	800	-1,821
Closing Balance	0	57	2,075	4,102	4,902	3,081

16
 17
 18
 19
 20 ii. Would the NEG Tier II kWh generated between February 17th and October 17th
 21 be allowed to offset the Tier II kWh consumed between October 17th and
 22 December 19th, 2016?
 23

24 **Response:**

25 There appears to be a misunderstanding of the billing methodology FBC employs as a result of
 26 Commission Order G-199-16 and the functioning of the kWh Bank proposed by the Company.
 27 FBC no longer separately calculates Tier 1 and Tier 2 amounts for Net Consumption and Net

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1 Generation for billing purposes and therefore Tier 2 generation does not directly offset Tier 2
2 consumption. Only the overall net consumption on the account for the billing period is
3 considered. Please refer to the table provided in the response to Shadrack IR 1.7(i).

4
5

6

7 iii. Am I correct in understanding that the 1.273 MWh transferred to the FBC grid,
8 over and above the consumption of electricity by NM#1 in 2016, would no longer
9 be allowed to offset the cost of the basic charge and GST during the year, but
10 that instead the CG would have to wait up to twelve months for an annual payout
11 on the NEG?

12

13 **Response:**

14 The premise of the question is correct for this specific scenario. However, very few customers
15 should (and very few do) have annual NEG requiring monetary compensation as that is not the
16 intention of the program.

17 The table provided in the response to Shadrack IR 1.7(i) indicates that over the six billing
18 periods for which the bills were provided, the customer had an annual net excess generation of
19 436 kWh. The payout from the kWh Bank occurs on an annual basis, although for this customer
20 a larger benefit could be gained by holding the kWh in the Bank and using them to offset Tier 2
21 consumption in a following billing period. It is unlikely that on an annual basis there would be
22 any financial difference to the customer as a result of the Company's proposals.

23

24

25

26 iv. Am I correct in understanding that any residential customer who produces and
27 transfers sufficient electricity to the FBC grid in the summer, to offset their Tier I
28 and Tier II consumption in the winter, would have to wait for the NEG electricity
29 that is banked to be consumed before being able to convert that credit into a
30 consumable entity?

31

32 **Response:**

33 Assuming that a "consumable entity" is a cash payment from FBC, then a NM customer would
34 have to wait until their annual review period is up before they can request a payment. The
35 timing of a payment would not be based on "waiting for the kWh balance to be consumed".



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1 This is no different than the situation at present under the NM Program since the credit that may
2 result from NEG during a billing period is carried forward as a credit on the account and is also
3 not converted into a “consumable entity” in the form of a cash payment more than once
4 annually.

5
6

7

8 v. Please explain, in accordance with section 75 of the UCA, the merits and justice
9 of low income consumers and fixed income seniors waiting several billing
10 periods, possibly up to twelve months, to offset kWh that they would be required
11 to bank until they consume those kWh so banked or are paid at a non-retail
12 reduced rate for those kWh annually.

13

14 **Response:**

15 Section 75 of the *Utilities Commission Act* states that “*the commission must make its decision*
16 *on the merits and justice of the case, and is not bound to follow its own decisions*”. This
17 provision has general applicability to Commission decision making and effectively means that
18 the Commission is not bound by previous precedent but must instead decide each application
19 on its own merit.

20 Customers, regardless of age or income level, will use kWhs in the Bank during the next billing
21 period where net consumption exceeds net generation. FBC has shown, through evidence filed
22 in this proceeding, that most customers are either financially indifferent to the kWh Bank
23 proposal, or better off. Customers that face financial difficulties often benefit from relatively
24 stable bill amounts over the course of the year, rather than receiving a credit in some months
25 followed by large bills in others. This is a benefit of the kWh Bank proposal, which reduces bill
26 volatility compared to the current dollar credit system.

27 Furthermore, FBC has no evidence to indicate that the small number of NM customers with
28 annual NEG are either low income consumers or fixed income seniors. Self-generation facilities
29 require a significant up front monetary investment and, for this reason, FBC does not expect
30 that they are regularly installed by customers in these categories.

31



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1 **Removing Customers from the Net Metering Program**

2 8. In its original reconsideration application the FBC states:

3 *FBC respectfully submits that the Commission panel majority's decision (the Majority*
4 *Decision) discloses material errors of fact and law that justify variation of Order G -199-*
5 *16 as described above. The consequences of these errors are that:*

6 *FBC's pre-existing right to remove customers from RS 95 if they produce consistent*
7 *annual NEG has been abrogated, on the Commission's own motion, with the result that*
8 *FBC now has no ability to prevent existing customers with high NEG production based*
9 *on their current generation size from maximizing annual NEG, contrary to the intent of*
10 *the NM program. The amendments directed by the Commission panel majority*
11 *effectively entrench a rate preference for this group of pre-existing NM customers (see*
12 *pages 7 - 15, below)"*

13 [http://www.bcuc.com/Documents/Proceedings/2017/DOC_49017_B-1_FBC_Net-](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49017_B-1_FBC_Net-Metering-G-199-16-Reconsideration-App.pdf)
14 [Metering-G-199-16-Reconsideration-App.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_49017_B-1_FBC_Net-Metering-G-199-16-Reconsideration-App.pdf).

15 i. Since the inception of the NM program, has FBC ever advised any of the CG
16 enrollees, in writing, that it reserves the right to remove them from the program
17 for consistently producing NEG

- 18
19 a. prior to April 26th, 2016?
20 b. prior to March 17th, 2017?

21
22 **Response:**

23 No. Please also refer to the response to BCUC IR 1.3.1.

24
25

26
27 ii. Since the inception of the program, has FBC ever removed any CG from the
28 program for consistently producing NEG?

29
30 **Response:**

31 FBC provided the following response to Scarlett IR 2.2 in the FBC NM Tariff Update Application
32 process (Exhibit B-15, p. 1):

33 FBC has not to date, removed any customer from the Program for non-
34 compliance with eligibility criteria. The referenced response [BCUC 1.5.6] does
35 not require action to be taken by the Company; rather, it indicates that given the



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1 eligibility criteria, it considers that the option to enforce the eligibility criteria is
2 available, and it reserves the right to do so in the future.

3
4

5

6 iii. Have any CGs expanded the size of their installed system without seeking
7 permission of the Company and been removed from the NM program for doing
8 that?

9

10 **Response:**

11 Please refer to the response to Shadrack IR 1.8(ii).

12

13

14

15 iv. Have any CGs who have expanded the size of their system, without seeking
16 permission of the Company, not been been paid retail rate for all the NEG they
17 transferred to the Company's grid?

18

19 **Response:**

20 Please refer to the response to Scarlett IR 2.8 (Exhibit B-15) in the FBC NM Tariff Update
21 Application process for a discussion of one NM System that FBC is aware of that has increased
22 in size since its original installation. The Company has no records related to the size increase,
23 but confirms that NEG has been compensated at the retail rate.

24

25

26

27 v. If the answer to i., ii. iii and iv above is no, please explain how CG enrollees were
28 expected to know that FBC had a legal right to remove them from the NM
29 program for consistently producing NEG.

30

31 **Response:**

32 Every rate schedule contained in the Company's Electric Tariff has Eligibility or Applicability
33 criteria describing the general attributes that a customer must possess, or the operating
34 requirements that must be in place, in order to take service under that rate schedule. The
35 conditions for remaining on a rate schedule are the same as for being permitted to take service



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1 under the rate schedule in the first place. FBC does not believe that a non-residential customer
2 would attempt to take service where residential use is specified in a rate schedule or that a
3 customer that converted a residence into solely a place of business would expect to remain on a
4 residential rate. FBC expects that customers understand that service under a particular rate
5 schedule is subject to the Eligibility criteria of that rate schedule and that if they no longer satisfy
6 those criteria as specified in the rate schedule then they will no longer be “eligible” or entitled to
7 receive service under that rate schedule.

8 Further, given that NM customers are making a significant investment in generation facilities, it
9 is reasonable to expect that they will review the Eligibility Criteria in RS 95 and take appropriate
10 steps for the purposes of remaining eligible for that specific rate schedule. FBC plans to include
11 a discussion related to maintaining ongoing eligibility (and the consequences of not doing so)
12 into future meetings with potential NM customers.

13

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1 9. FortisBC's Electric Tariff can be found at:

2 <https://www.fortisbc.com/About/RegulatoryAffairs/ElecUtility/Documents/FortisBCElectric>
3 [Tariff.pdf](https://www.fortisbc.com/About/RegulatoryAffairs/ElecUtility/Documents/FortisBCElectric)

4 In TC1-30 at section 8.2, FBC specifically states that it reserves the right to suspend
5 service "*whenever necessary to safeguard life or property, or for the purpose of making*
6 *repairs on or improvements to any of its apparatus, equipment or work*".

7 The Company then goes on to state in the same section that:

8 "*The Company shall have the right to suspend or terminate Service at any time without*
9 *notice whenever the Customer has breached any agreement, including provisions of a*
10 *Financing Agreement, with the Company, or failed to pay arrears within the specified*
11 *time, fraudulently used the Service, tampered with the Company's equipment, committed*
12 *similar actions, compromised the Company's Service to other Customers or if ordered by*
13 *an authorized authority to suspend or terminate such Service*".

14 Under "Special Conditions" at sections 7 and 10 of RS 95 it specifically states:

15 "*The Company maintains the right to disconnect, without liability, the Customer-*
16 *Generator for issues relating to safety and reliability*".

17 "*Except as specifically set forth herein, Service supplied under this schedule is subject to*
18 *the terms and conditions set forth in the Company's Electric Tariff on file with the British*
19 *Columbia Utilities Commission*".

20 i. Are there any other statements in either the Electric Tariff or RS 95 that
21 specifically refer to "*suspension or termination*" of a customer service by FBC?

22

23 Please provide the exact wording and URL reference.

24

25 **Response:**

26 In addition to the excerpts quoted in the preamble, FBC notes the following statements
27 contained in the Electric Tariff that address suspension or termination of service by the
28 Company, along with the location in the tariff where the statement can be found. The majority
29 of the explicit references to suspension and termination relate to issues that could result in
30 termination or suspension of electric service, and not to rate eligibility.

- 31 • "Customers will be advised that their account is in arrears by way of notification on the
32 next billing. If payment is not received, a letter will be mailed to the Customer advising
33 that if payment is not received within ten days of the date of mailing, Service may be
34 suspended without further notice. The Company will make every reasonable effort to
35 contact the Customer by telephone or in person to advise the Customer of the



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- 1 consequences of non-payment, but the account may be disconnected if payment is not
2 received.” (Section 6.5, Terms and Conditions)
- 3 • “The Company shall have the right to suspend Service to make repairs or improvements
4 to its electrical system and will, whenever practicable, give reasonable notice to the
5 Customer.” (Section 8.2, Terms and Conditions)
- 6 • “If safe and ready access to the Company's electrical facilities is denied or obstructed in
7 any manner, including the presence of animals, and the Customer takes no action to
8 remedy the problem upon being so advised, Service shall be suspended and not
9 reconnected until the problem is corrected.” (Section 9.2, Terms and Conditions)
- 10 • “If at any time the Company's electrical system is adversely affected due to difficulties
11 caused by the Customer's generating facilities, upon oral or written notice being given by
12 the Company to a responsible employee of the Customer, the Customer shall
13 immediately discontinue parallel operation, and the Company may suspend Service until
14 such time as the difficulties have been remedied to the satisfaction of the Company.”
15 (Section 10.1, Terms and Conditions)
- 16 • “Radio-off Customers must pay the charges as set out in this Schedule. Failure to pay
17 these charges will be subject to standard collection procedures and may result in the
18 Suspension of Service. The Per-premise set up fee will be charged on the first bill after
19 the Radio-off AMI Meter is installed, and the Per-Read fees will be charged on every
20 subsequent bill.” (RS 81, Terms and Conditions, Section2)
- 21 • “The Company may terminate the On-Bill Financing Pilot Program at any time and
22 without notice subject to the provisions of the *Clean Energy Act* [SBC 2010], c. 22 and
23 any regulations promulgated thereunder.” (RS 91, Sheet 43D)
- 24



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1 10. Under "Billing Calculations" at RS 95, at sections 3 and 5, FBC states, concerning the
2 creation of NEG, that:

3 *"If in any billing period, the eligible Customer-Generator is a net generator of energy, the*
4 *Net Excess Generation shall be valued at the rates specified in the applicable Rate*
5 *Schedule and credited to the Customers account".*

6 *"In the event that the operation of a renewable energy generating system results in a*
7 *credit balance on the Customer-Generator's account at the end of a calendar year, the*
8 *credit will be purchased by the Company. If such amounts are not large, they will be*
9 *carried forward and included in the billing calculation for the next period at the discretion*
10 *of the Company".*

11 i. Are there any other references to creation of NEG by an NM CG in the Electric
12 Tariff or RS 95?

13
14 Please provide the exact wording and URL reference.

15
16 **Response:**

17 NEG is a concept that is only relevant to RS 95. There are no other instances of the term
18 elsewhere in the Electric Tariff. The additional reference in RS 95 is contained in the Definitions
19 section as follows:

20 **Net Excess Generation** - Net Excess Generation results when over a billing
21 period, Net Generation exceeds Net Consumption.

22

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1 11. In FBC's 2010 Monitoring and Evaluation Report on FortisBC Inc. Net Metering Program
2 to the Commission dated March 11, 2011, the Company specifically states:

3 *"Customers generating a significant amount of excess generation are a concern since*
4 *they are violating a fundamental net metering principle of offsetting their own*
5 *consumption (p 7, lines 3-4), but then goes on to further state in section 6:*

6 *"The Company is of the opinion that the original intention of the program (to offset all or*
7 *some of the customers own consumption) is still valid, but there is no reason to prevent*
8 *additional generation if it falls within the 50 kW cap. The principles in place for*
9 *compensation for generation under the program remain essentially the same. That is,*
10 *offset consumption is automatically valued at the retail rate, and a reasonable amount of*
11 *generation that exceeds personal consumption will also attract that retail rate. The*
12 *proposed change in the program will affect generation that a customer generator has*
13 *installed with the intent to generate additional sales to FortisBC. The Company believes*
14 *that compensation for these sales should be offered in a manner consistent with that of*
15 *other small Independent Power Producers in its service area" (p12, line 7-17).*

16 [http://www.bcuc.com/Documents/Proceedings/2016/DOC_46489_A2-1_03-02-](http://www.bcuc.com/Documents/Proceedings/2016/DOC_46489_A2-1_03-02-2011_FBC-2010-Report.pdf)
17 [2011_FBC-2010-Report.pdf](http://www.bcuc.com/Documents/Proceedings/2016/DOC_46489_A2-1_03-02-2011_FBC-2010-Report.pdf)

18 i. Please quantify the exact amount of kWh that a "significant amount of excess
19 generation" represents for FBC?
20

21 **Response:**

22 Please refer to the response to BCUC IR 1.3.1.
23
24

25
26 ii. Please quantify the exact amount of kWh that "...additional generation if it falls
27 within the 50 kW cap" FBC is prepared to allow over and above a CG's personal
28 consumption level.
29

30 **Response:**

31 Please refer to the response to BCUC IR 1.3.1 for a discussion of persistent NEG.

32 The excerpt from the 2010 Monitoring and Evaluation Report referenced above makes a
33 general statement regarding generation that exceeds personal consumption; however, the
34 statement was made in the context of discussing that the NM Program has a generation limit
35 based on personal consumption and was followed by a statement of FBC's position that



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1 generation above that level would be compensated at the rate provided to independent power
2 producers. This is consistent with the NM Program limit today and the further proposals FBC
3 has made in the current Commission proceedings. An appropriately sized NM system should
4 not produce much in the way of “additional generation” as referenced above. Beyond the
5 general statement, it is not possible to quantify the exact amount of kWh FBC is prepared to
6 allow over and above a NM customer’s personal consumption level since the personal
7 consumption level cannot be known by the Company.

8
9

10

11 iii. Please quantify the exact amount of kWh that *“...a reasonable amount of*
12 *generation that exceeds personal consumption”* FBC is prepared to allow under
13 the NM program.

14

15 **Response:**

16 Please refer to the response to Shadrack IR 1.11.ii.

17

18

19

20 iv. With regard the statement *“...The proposed change in the program will affect*
21 *generation that a customer generator has installed with the intent to generate*
22 *additional sales to FortisBC”*, please explain the precise date and reasons why
23 the Company changed its mind about pre-approving NM production systems that
24 were sized to *“generate additional sales to FortisBC”*.

25

26 **Response:**

27 No change in position has occurred. The original intent of the NM Program was the subject of
28 the recent NM Tariff Update Application, was discussed in the Commission’s Decision on that
29 Application, and is not within the scope of this proceeding. This aspect of the Application was
30 summarized at Paragraph 6 of the Company’s Final Submission as follows.

31

32

33

34

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37

The Program, as originally intended, limits the annual generation output of any net metered system to the annual consumption of the associated load. This aspect of the Rate Schedule 95 Eligibility is currently summarized in the tariff by specifying that, “...generation equipment must be located on the Customer’s Premises, Service only the Customer’s Premises and must be intended to offset a portion or all of the Customer’s requirements for Electricity.” FBC is not proposing to change this limitation, or the manner in which this aspect of the



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1 Program is administered, but is seeking to add clarifying language to the tariff as
2 described in Section 4.4 of the Update Application.

3 In the Decision accompanying Order G-199-16, the Commission concluded at page 8, *“The*
4 *Panel finds that FBC did intend that the NM Program would only be used for customers’ own*
5 *consumption, with a limit on the nameplate rating of the net metered system at 50 kW. FBC’s*
6 *evidence here is compelling...”*

7 Further submissions directed at the issue of allowable NM system size, which has been settled,
8 are not within the scope of the current reconsideration process and will not assist the
9 Commission in making determinations related to those matters listed in recital D of Order G-
10 127- as follows:

- 11 • FBC not be directed to submit to the Commission changes to the Net Metering Tariff,
12 Rate Schedule (RS) 95, which require that RS 95 customers not be removed from the
13 Net Metering Program solely on the basis of producing Net Excess Generation (NEG) on
14 an annual basis;
- 15 • The kilowatt hour (kWh) bank described in Section 5 of the Application to carry forward
16 NEG accumulated in a Net Metering customer’s billing period to offset consumption in a
17 future billing period, with an annual settlement for remaining unused NEG, be approved
18 for implementation and the terms of RS 95 be amended accordingly; and
- 19 • The terms of RS 95 be further amended such that Net Metering customers are
20 compensated for any positive kWh balance remaining in the kWh bank at the end of the
21 annual period using the British Columbia Hydro and Power Authority RS 3808 Tranche 1
22 rate.

23
24

25

26 v. How many enrolled CGs would have been enrolled in the program at the time of
27 that change and were they so notified of the Company’s change of policy, and
28 were those CGs enrolling after that date so notified that statements made in the
29 2010 Evaluation and Monitoring Report were no longer valid policy statements
30 previously made by the Company?

31

32 **Response:**

33 FBC has not changed its policy with respect to whether annual NEG is permitted under the NM
34 program. However, additional language has been approved that will make this policy more
35 explicit within the Electric Tariff. FBC does not believe it is necessary to notify existing NM
36 customers of this.

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1 FBC has also requested different treatment of annual NEG. If the request is approved by the
2 BCUC, then customers will be informed of the change.

3
4

5

6 vi. BC Hydro in RS 1289 at special conditions 2 specifically states:

7

8

9

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11

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14

*“The Customer shall not operate the Generation Facility so as to generate
electricity at a rate greater than 110% of the Nameplate Rating of the Generating
Facility, and will not add to or modify the Generating Facility without the prior
written consent of BC Hydro”*
<https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/regulatory-planning-documents/integrated-resource-plans/current-plan/schedule-1289-net-metering-service.pdf>).

15

16

Has FBC considered, for clarity, adding similar wording to it’s RS 95 tariff, and if
not, why not?

17

18

Response:

19

20

21

22

23

24

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26

FBC does not believe that language similar to the BC Hydro Special Condition 2 adds any
clarity to the matter of allowable annual generation. With the language additions to RS 95
recently approved by the Commission, the FBC tariff is quite clear in stating that generation is
limited to the annual expected consumption of the customer. The referenced BC Hydro wording
deals with the operation of generation in excess of nameplate capacity, which does not address
the same issue. Were FBC to add similar language it would have no effect on the existing limit
on generation capacity.

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1 12. Notwithstanding that FBC believes that it has a right to remove a customer from their NM
2 program for consistently producing NEG:

3 i. Does FBC agree, in accordance with section 64 and other powers granted it
4 under the UCA, that the Commission has the legal power to grandfather the pre-
5 existing arrangements made and conducted by the Company with its NM
6 enrollee CGs prior to the issuance of Order G-199-16?
7

8 **Response:**

9 For clarity, FBC understands section 64 of the UCA to address circumstances where the
10 Commission has declared a customer's contract unenforceable because service is being
11 received at unduly preferential or discriminatory rates.

12 In particular, section 64(1) of the UCA provides that the Commission can "declare" that a
13 contract between a public utility and a person receiving regulated service is unenforceable, in
14 whole or in part, if the person receives the service "at rates that are unduly preferential or
15 discriminatory". Section 64(2), in turn, provides that, "If a contract is declared unenforceable
16 either wholly or in part, the commission may order that rights accrued before the date of the
17 order be preserved ..." (underlining added).

18 Accordingly, if the question is premised on the assumption that the contracts of pre-existing NM
19 customers have been declared unenforceable by the Commission under section 64(1) because
20 those customers are receiving preferential rates, then FBC does not agree that the Commission
21 has the legal authority to grandfather their pre-existing arrangements. In this context, the
22 'accrued rights' referred to in s. 64(2) could only be in respect of the rates charged for services
23 received prior to the Commission's order declaring the contract unenforceable. In other words,
24 section 64(2) allows the Commission to avoid the retroactive application of the declaration of
25 unenforceability, which may otherwise permit back-billing a customer in respect of services
26 previously received at a preferential or discriminatory rate. The accrued rights in section 64(2)
27 cannot mean the right to continue to receive services in the future under an arrangement that is
28 unduly preferential or discriminatory, which would be incompatible with the contract being
29 declared unenforceable.

30 FBC is not aware of any other powers granted to the Commission under the UCA that would
31 allow it to grandfather previous arrangements with NM customers if they are found to be unduly
32 preferential or discriminatory.

33 Notwithstanding the foregoing, FBC does not consider that exercising its right under RS 95 to
34 remove customers from the NM Program that do not meet the eligibility criteria (as referred to in
35 the preamble to this IR) is the equivalent of the Commission declaring contracts unenforceable,
36 which is a pre-requisite to the application of s. 64(2) of the UCA.



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ii. If the answer (i) is no, please explain why.

Response:

Please refer to the response to Shadrack IR 1.12.i.



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1 13. In 2006 our household, which is wired for electric heat, consumed 6,216 kWh of
2 electricity, which through adoption of conservation measures was reduced to 3,260 kWh
3 in 2014, the year before we enrolled in the NM program. So far in 2017 we estimate that
4 our FBC grid household consumption at 386 kWh, with a further 304 kWh being
5 consumed from our own solar PV system.

6 For purposes of calculating the size of our allowable NM system, what annual number of
7 kWh would FBC use to calculate our current annual personal consumption of electricity,
8 and why would the Company choose that number over any other level of annual
9 consumption?

10

11 **Response:**

12 The recommended size of a NM system is based on historical use prior to the installation of the
13 system, if available, or an estimate of use if not. FBC's review would also include any
14 information provided by the customer that would influence the future level of consumption. If a
15 customer with an existing NM system wishes to add generation, then the addition would be
16 sized to a maximum that would allow the customer to reduce the annual electricity purchases
17 from FBC to zero.

18



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1 14. NM#1 was pre-approved by FortisBC to build a size of solar PV system, and has not
2 added any production capacity since initial installation, that allowed this household to
3 produce and transfer enough electricity to cover the cost of all personal electrical
4 consumption and nearly all basic charges and the GST.

5 i. Did FBC over estimate the size of system needed for this customer household?
6

7 **Response:**

8 FBC does not have specific information regarding the details of this installation. However,
9 based on the information reviewed for the response to Shadrack IR 1.7, under the current billing
10 practice, the customer would have received bills totalling \$164.19, resulting from \$186.48 in
11 Customer Charges and a small energy credit. The installation appears to be reasonably sized
12 and meets the eligibility criteria of the NM Program.

13
14

15
16 ii. Does this customer now face the possibility of being removed from the NM
17 program because the household consistently produces NEG annually?
18

19 **Response:**

20 Based on the information reviewed for the response to Shadrack IR 1.7 there does not appear
21 to be a reason that this customer would be removed from the NM Program.

22

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1 15. In B-1 of the FortisBC Inc. Self-Generation Policy Stage II Application ~ Project
2 No.3698820 FBC states:

3 *"On Page 104 of the New PPA Decision the Commission specified that, "...FortisBC*
4 *must establish Self-Generating customer policies for current and future customers at*
5 *distribution and transmission voltage."*

6 *Customers beneath a minimum threshold are not eligible for this policy as their situations*
7 *are already addressed elsewhere. As the Commission noted in its reasons for decision*
8 *that are Appendix A to Order G-32-15 (from the Stage I procedural conference):*

9 *'The Panel notes that FortisBC has policies to deal with customers who would fall under*
10 *the net-metering generation cap of 50 kW. All parties who addressed this issue at the*
11 *Procedural Conference were in agreement that any GBL Guidelines should apply to both*
12 *transmission and distribution customers consistent with Order G-60-14.*

13 *The Panel is in agreement with the applicability of any GBL Guidelines to both*
14 *transmission and distribution customers with the caveat that it should only be applied to*
15 *customer generation facilities of over 50 kW'.*

16 *FBC assumes that more specifically, with regard to service voltage, the Commission*
17 *intends that eligible customers will be those served at Transmission Voltage, defined in*
18 *the FBC Electric Tariff BCUC No. 2 as having a nominal potential greater than 35,000*
19 *volts measured phase to phase and Primary Voltage which is similarly defined as having*
20 *a nominal potential of 750 to 35,000 volts measured phase to phase"*

21 (http://www.bcuc.com/Documents/Proceedings/2017/DOC_48653_B-1_FBC_Self-Gen-
22 [Policy-Stagell-Appl.pdf](http://www.bcuc.com/Documents/Proceedings/2017/DOC_48653_B-1_FBC_Self-Gen-Policy-Stagell-Appl.pdf), p 13, lines 3-21).

23 i. Given that FBC has no Micro-Standard Offer Purchase Program (MSOP), and
24 the Company's Self-Generation policy will not apply to NM CGs, where and how
25 will customers producing power below 50kW and 750 volts sell their excess
26 production if they can be removed from the NM program for consistently
27 producing more than their personal household consumption?

28
29 **Response:**

30 It is unlikely that a customer that has installed a system that complies with the NM Program's
31 eligibility criteria would have annual NEG that would eventually prompt their removal from RS
32 95. Should such a situation occur, FBC has discussed a potential means by which the excess
33 generation may still be acquired in its response to BCSEA IR 1.8.3.1. A customer that wishes to
34 initially install a generator in excess of RS 95 eligibility criteria should enter into discussions with
35 FBC before doing so.

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- ii. How does FBC explain its current and proposed policies before the Commission, towards these customers, meet with the requirements of sections 11, 25 and 28 of the 2007 BC Energy Plan?

Response:

FBC's Self-Generation Policy Application is not the subject of the current process and is being examined in a separate Commission proceeding. This IR is not within the scope of this proceeding, as established by the Commission in Order G-127-17. FBC declines to respond.

- iii. How does FBC explain that its current and proposed policies before the Commission, towards these customers, meet with the required legal objectives of section 2 (a), (b), (d), (h), (i), (k), (i) and (m) of the *Clean Energy Act*?

Response:

FBC's Self-Generation Policy Application is not the subject of the current process and is being examined in a separate Commission proceeding. This IR is not within the scope of this proceeding, as established by the Commission in Order G-127-17. FBC declines to respond.